

## Message Text

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PAGE 01 PEKING 01205 150814Z  
ACTION EB-07

INFO OCT-01 EA-07 ISO-00 DODE-00 NSAE-00 USIA-06  
TRSE-00 ERDA-05 CIAE-00 COME-00 /026 W  
-----150841Z 073863 /15  
R 150715Z JUN 77  
FM USLO PEKING  
TO SECSTATE WASHDC 8004  
INFO AMCONSUL HONG KONG

C O N F I D E N T I A L PEKING 1205

E.O. 11652: XGDS-1  
TAGS: ESTC, EEWT, CH, US

SUBJ: SALE OF AIRCRAFT-RELATED MACHINE TOOL

1. IN AN INFORMAL DISCUSSION WITH USLO OFFICER  
JUNE 13, JAMES CHEN OF WJS, WASHINGTON, DC, AND  
T.E. AARON OF ANOCUT, INC, ELK GROVE VILLAGE,  
ILL, MENTIONED THAT THE MACHINE TOOL SOLD TO  
TECHIMPORT BY ANOCUT, INC. (CONTRACT SIGNED JUNE 11)  
IS DESIGNED TO BE USED IN PRODUCTION OF AIRCRAFT  
TURBINES. THEY FURTHER SAID THAT DURING  
NEGOTIATIONS TECHIMPORT HAD ASKED QUESTIONS  
AND PRESENTED SKETCHES WHICH CONVINCED THEM  
THAT THE TOOL WOULD INDEED BE USED TO PRODUCE  
TURBINES IN CHINA, SPECIFICALLY  
THE ROLLS ROYCE SPEY ENGINE. AARON, IN PARTICULAR,  
SEEMED FAMILIAR WITH ROLLS ROYCE TECHNOLOGY.

2. CHEN STATED THAT THE CONTRACT WITH  
TECHIMPORT HAD BEEN NEGOTIATED IN RECORD  
TIME AND THAT TECHIMPORT IS ANXIOUS TO GET  
THE TOOL. AARON CORROBORATED THIS AND  
SAID THAT ABOUT A YEAR WOULD BE REQUIRED  
TO PRODUCE THE TOOL. AARON NOTED THAT  
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TECHIMPORT HAD DECLINED TO ACCEPT ANOCUT'S  
OFFER OF START-UP SERVICES AND, AS A  
RESULT, ANOCUT DOES NOT KNOW EXACTLY  
WHERE OR HOW THE MACHINE WILL BE USED.  
NEITHER CHEN NOR AARON INDICATED THAT AN  
EXPORT LICENSE WOULD BE REQUIRED FOR SALE  
OF THE MACHINE TOOL TO THE PRC.

3. THE BRITISH EMBASSY INFORMS US THAT THE  
PRC-ROLLS ROYCE SPEY ENGINE DEAL WAS NOT A  
"PACKAGE" IN WHICH PRODUCTION EQUIPMENT LIKE  
THE ABOVE MACHINE TOOL WOULD BE INCULDED.  
THIS LEAVES OPEN THE POSSIBILITY THAT THE  
PRC WOULD NEED TO ACQUIRE A MACHINE TOOL  
LIKE THE ANOCUT MODEL FOR USE IN SPEY ENGINE  
PRODUCTION.  
THOMAS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SALES, AIRCRAFT, PRODUCTION, TOOLS  
**Control Number:** n/a  
**Copy:** SINGLE  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PEKING01205  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** X1  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
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**TAGS:** ESTC, EEWT, CH, US  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009